

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Wilmot Township	County Cheboygan
Audit Date 3/31/06	Opinion Date 7/20/06	Date Accountant Report Submitted to State 7/28/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

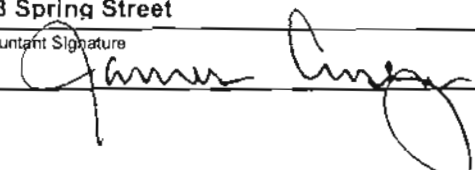
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Hill, Schroderus & Co., LLP			
Street Address 923 Spring Street	City Petoskey	State MI	ZIP 49770
Accountant Signature 		Date 7/28/06	

**FINANCIAL REPORT
WILMOT TOWNSHIP
March 31, 2006**

**WILMOT TOWNSHIP
FINANCIAL REPORT
March 31, 2006**

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July 20, 2006

Independent Auditors' Report

Township Board
Wilmot Township
Cheboygan County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Wilmot Township, Michigan, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Wilmot Township, as of March 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Wilmot Township has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined to supplement, although not required to be part of, the basic financial statements.

CERTIFIED PUBLIC ACCOUNTANTS
Petoskey, Michigan

WILMOT TOWNSHIP
Statement of Net Assets
March 31, 2006

	<u>Governmental Activities</u>
<u>Assets</u>	
Current Assets	
Cash and deposits	\$ 247,790
Investments	51,646
Taxes receivable	10,260
Due from fiduciary fund	15
Prepaid expenses	<u>4,105</u>
Total current assets	<u>313,816</u>
Noncurrent Assets	
Capital assets	78,141
Less: accumulated depreciation	<u>(32,388)</u>
Total noncurrent assets	<u>45,753</u>
Total assets	<u><u>\$ 359,569</u></u>
<u>Liabilities and Net Assets</u>	
Current Liabilities	
Accounts payable	<u>\$ 1,983</u>
Net Assets	
Investment in capital assets	45,753
Unrestricted	<u>311,833</u>
Total net assets	<u>357,586</u>
Total liabilities and net assets	<u><u>\$ 359,569</u></u>

WILMOT TOWNSHIP
Statement of Activities
Year Ended March 31, 2006

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General government	\$ 43,171	\$ 2,653	\$ -	\$ (40,518)
Public safety	17,173	-	-	(17,173)
Public Works	46,605	32,875	-	(13,730)
Other	8,508	-	-	(8,508)
Unallocated depreciation	3,278	-	-	(3,278)
Total governmental activities	<u>\$ 118,735</u>	<u>\$ 35,528</u>	<u>\$ -</u>	<u>(83,207)</u>

General Revenues:

Property taxes	80,424
State shared revenues	54,414
Interest	<u>4,232</u>

Total general revenues	<u>139,070</u>
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Change in net assets	55,863
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Net assets - beginning of year	<u>301,723</u>
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Net assets - end of year	<u>\$ 357,586</u>
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WILMOT TOWNSHIP
Governmental Funds
Balance Sheet
March 31, 2006

	<u>General</u>	<u>Road</u>	<u>Transfer Station</u>	<u>Capital Projects</u>	<u>Total</u>
<u>Assets</u>					
Cash and deposits	\$ 218,185	\$ 27,574	\$ 2,031	\$ -	\$ 247,790
Investments	51,646	-	-	-	51,646
Taxes receivable	6,483	3,777	-	-	10,260
Due from fiduciary fund	15	-	-	-	15
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 276,329</u>	<u>\$ 31,351</u>	<u>\$ 2,031</u>	<u>\$ -</u>	<u>\$ 309,711</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,983	\$ -	\$ 1,983
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances:					
Restricted for fire protection	17,853	-	-	-	17,853
Unrestricted	258,476	31,351	48	-	289,875
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>276,329</u>	<u>31,351</u>	<u>48</u>	<u>-</u>	<u>307,728</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 276,329</u>	<u>\$ 31,351</u>	<u>\$ 2,031</u>	<u>\$ -</u>	<u>\$ 309,711</u>

WILMOT TOWNSHIP
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Assets
March 31, 2006

Total Fund Balances - Governmental Funds	\$ 307,728
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Amounts reported for governmental activities in the statement
of net assets are different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of net assets, these assets are capitalized and depreciated
over their estimated useful lives.

Governmental capital assets	78,141
Accumulated depreciation	(32,388)

Prepaid insurance costs are not available for current-period
expenditures and therefore are not reported in the governmental
funds.

	<u>4,105</u>
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Net Assets of Governmental Activities	<u><u>\$ 357,586</u></u>
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WILMOT TOWNSHIP
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended March 31, 2006

	<u>General</u>	<u>Road</u>	<u>Transfer Station</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:					
Taxes	\$ 54,425	\$ 25,999	\$ -	\$ -	\$ 80,424
State revenue	52,051	2,363	-	-	54,414
Charges for service	2,653	-	32,875	-	35,528
Interest	4,067	132	29	4	4,232
	<u>113,196</u>	<u>\$ 28,494</u>	<u>32,904</u>	<u>4</u>	<u>174,598</u>
Expenditures:					
Current:					
General government	45,939	-	-	882	46,821
Public safety	17,173	-	-	-	17,173
Public works	12,630	-	33,975	-	46,605
Other	8,508	-	-	-	8,508
	<u>84,250</u>	<u>-</u>	<u>33,975</u>	<u>882</u>	<u>119,107</u>
Net change in fund balance	28,946	28,494	(1,071)	(878)	55,491
Fund balances - beginning of year	<u>247,383</u>	<u>2,857</u>	<u>1,119</u>	<u>878</u>	<u>252,237</u>
Fund balances - end of year	<u>\$ 276,329</u>	<u>\$ 31,351</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 307,728</u>

WILMOT TOWNSHIP
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended March 31, 2006

Net Change in Fund Balances - Total Governmental Funds	\$ 55,491
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Amounts reported for governmental activities in the statement
of net assets are different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of these assets is allocated over
their estimated useful lives as depreciation.

Expenditures for capital assets	3,650
Current year depreciation	<u>(3,278)</u>

Change in Net Assets of Governmental Activities	\$ <u>55,863</u>
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WILMOT TOWNSHIP
Statement of Fiduciary Net Assets
March 31, 2006

	<u>Agency Tax Fund</u>
Assets	
Cash	\$ <u> 60</u>
Liabilities	
Due to other taxing units	
Cheboygan County	\$ 42
Wolverine Schools	-
Vanderbilt Schools	3
Wolverine Library	-
Other	<u> -</u>
Total due to other taxing units	45
Due to other funds	<u>15</u>
Total liabilities	<u>\$ <u> 60</u></u>

WILMOT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
March 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township operates under a Board-Supervisor form of government and provides the following services as authorized by common law: public safety (fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

The Township's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the significant policies used by the Township of Wilmot:

REPORTING ENTITY

The accompanying financial statements have been prepared in accordance with criteria established by GASB No. 14, and amended by GASBS No. 39. GASBS 14 states that the primary basis for determining whether outside agencies and organizations should be considered component units of the Township and included in the Township's financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit's board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The Township has no component units.

BASIC FINANCIAL STATEMENTS – OVERVIEW

The Wilmot Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and the fund financial statements categorize primary government activities as either governmental.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements report information on all of the non-fiduciary activities of the government. The government-wide focus is more on operational efficiency, the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis. Due to the full accrual, economic resource basis, all long-term assets and receivables, as well as long-term debt and obligations are recognized. The Township's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS – CONTINUED

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. This statement reduces gross expenses (including depreciation) by related program revenues, which include charges for services, operating grants and capital grants.

The program revenues must be directly associated with the function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenue.

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The focus of the fund financial statements is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources).

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The emphasis in the fund financial statements is on the major funds in the governmental or business type categories. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of the governmental and proprietary funds) for the determination of major funds.

Governmental Funds

The following is a description of the major governmental funds of the Township:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Road Fund – The Road Fund accounts for taxes levied for the purpose of road improvement and upgrading.

Transfer Station Fund – The Transfer Station Fund accounts for the revenue and costs of operating a solid waste transfer station.

Capital Projects Fund – The Capital Project fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS – CONTINUED

Fiduciary Funds

The fiduciary funds are used to account for assets held by the Township in a trustee or agent capacity. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Agency funds use the accrual basis of accounting, however report only assets and liabilities.

Agency Fund – The Agency Fund accounts for the collection and payment of property tax levies.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the full accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred.

All proprietary funds, pension trust funds and agency funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned, as long as they are both available and measurable. Revenues are available when received within the current period or within 60 days after year end. Expenditures are recorded in the accounting period in which the liability is incurred, as under full accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and demand deposits.

Interfund Receivables/Payables

Outstanding balances between funds are reported as "due to/from other funds" on the balance sheet of the fund financial statements and as "internal balances" on the Statement of Net Assets of the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – CONTINUED

Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets are reported in the Statement of Net Assets in the government-wide financial statements. The Township did not have a capitalization policy in place. Consequently, the fixed assets do include a few assets of nominal cost. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, buildings and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Furniture and equipment	3 to 7 years

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

COMPARATIVE DATA

Comparative data for the prior year is not included in the Township's financial statements.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a cash basis for all operating funds of the Township except for the agency funds. Budgetary control is legally maintained at the fund level.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
2. A public hearing is conducted at Township Hall to obtain taxpayer comments.
3. Prior to April 1, the fund budgets are legally enacted through passage of resolutions.
4. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
5. Budgeted amounts are as originally adopted, or as amended by the Township Board.
6. All appropriations lapse at year-end.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 3: DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township's deposits and investment policy are in accordance with statutory authority.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At March 31, 2006, the carrying amount of the Township's deposits for both governmental activities and the fiduciary fund was \$ 247,850 and the bank balance was \$ 253,349, all of which was covered by federal depository insurance. The Township may experience significant fluctuations in deposit balances through the year.

Credit Risk – Investments. As of March 31, 2006, the Township's investment in the PIMCO Real Return Fund CL A was rated by PIMCO to be AAA. A Standard and Poor's rating for this fund was not available.

NOTE 4: PROPERTY TAXES

Property taxes are levied and become a lien on property as of December 1 on the State taxable valuation of property in the Township. The Township bills and collects its own property taxes and also collects taxes for other governmental units. Collection of other governmental unit's taxes and remittance of them to the units are accounted for in the Agency Fund. Property taxes are recognized as revenue in the year in which they are levied.

The Township is permitted by state law, subject to State Headlee and Truth in Taxation provisions, up to \$1 per \$1,000 of taxable valuation for general governmental services, \$1.5 for road improvement, and a special assessment of \$1.05697 per \$1,000 for fire protection. The 2005 State taxable valuation of Wilmot Township totaled \$17,944,718.

The tax rate for the year ended March 31, 2006, was as follows:

<u>Purpose</u>	<u>Rate/Taxable Valuation</u>	
General governmental services	.8639	per \$1,000
Roads	1.4658	per \$1,000
Fire protection	1.05697	per \$1,000

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The inter-fund balances within the Township are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 15	\$ -
Fiduciary Fund	<u>-</u>	<u>15</u>
	<u>\$ 15</u>	<u>\$ 15</u>

The inter-fund balances are for delinquent property taxes.

NOTE 6: CAPITAL ASSETS

Capital asset activity of the Township for the current year was as follows:

	<u>Balance April 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2006</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,500	\$ -	\$ -	\$ 1,500
Capital assets being depreciated:				
Buildings	59,806	3,050	-	62,856
Furniture and equipment	<u>13,835</u>	<u>600</u>	<u>650</u>	<u>13,785</u>
Subtotal	<u>73,641</u>	<u>3,650</u>	<u>650</u>	<u>76,641</u>
Less accumulated depreciation:				
Buildings	18,338	1,546	-	19,884
Furniture and equipment	<u>11,422</u>	<u>1,732</u>	<u>650</u>	<u>12,504</u>
Subtotal	<u>29,760</u>	<u>3,278</u>	<u>650</u>	<u>32,388</u>
Net capital assets being depreciated:	<u>43,881</u>	<u>372</u>	<u>-</u>	<u>44,253</u>
Governmental activities net capital assets	<u>\$ 45,381</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 45,753</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 6: CAPITAL ASSETS – CONTINUED

Depreciation expense was charged as follows:

Governmental Activities

Unallocated	<u>\$ 3,278</u>
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NOTE 7: DEFINED CONTRIBUTION PLAN

The Township maintains a single employer defined contribution retirement plan administered by Municipal-Retirement Systems, Inc. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers all employees except certain boards and commissions, part-time and seasonal employees. The Township will match employee contributions to a maximum of 6 percent of annual compensation. Employer contributions and earnings of each individual employee fully vest upon entering the plan.

The Township's total plan payroll in fiscal year ended March 31, 2006 was \$17,510. The Township made the required contribution, amounting to \$1,051. Volunteer employee contributions amount to \$1,051.

NOTE 8: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Township belongs to the Michigan Township Participating Plan, a public entity risk pool currently operating as a common risk management and insurance program for various municipalities throughout the state. The Township pays an annual premium for its general insurance coverage. The pool is self sustaining through member premiums and reinsures through commercial companies for 100% of its claims.

The Township continues to carry commercial insurance for all other risks of loss, including worker's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

WILMOT TOWNSHIP
Budgetary Comparison Schedule (Cash Basis)
General Fund
Year Ended March 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
Beginning of year fund balance	\$ 241,045	\$ 241,045	\$ 241,045	\$ -
Revenues:				
Taxes:				
Property taxes	33,300	33,300	33,818	518
Swamp tax	15,407	15,407	15,407	-
Tax administration fee	4,000	4,000	5,040	1,040
State revenue	50,000	50,000	52,051	2,051
Charges for services	3,200	3,200	2,653	(547)
Interest	3,500	3,500	4,067	567
	<u>350,452</u>	<u>350,452</u>	<u>354,081</u>	<u>3,629</u>
Amounts available for appropriation				
Charges to appropriations (outflows):				
General Government:				
Legislative	4,515	3,115	2,451	(664)
Supervisor	5,702	5,652	4,998	(654)
Elections	1,437	900	756	(144)
Clerk	7,491	7,991	7,260	(731)
Deputy clerk	865	665	600	(65)
Treasurer	10,590	10,590	9,719	(871)
Deputy treasurer	1,850	1,850	1,751	(99)
Assessor	8,435	8,485	7,691	(794)
Board of review	1,263	1,263	1,088	(175)
Township hall	2,900	6,460	5,381	(1,079)
Cemetery	6,050	5,700	3,450	(2,250)
Other	1,500	1,500	794	(706)
	<u>52,598</u>	<u>54,171</u>	<u>45,939</u>	<u>(8,232)</u>
Total general government				
Expenditures (continued):				
Public safety:				
Fire protection	17,900	17,900	17,173	(727)
	<u>17,900</u>	<u>17,900</u>	<u>17,173</u>	<u>(727)</u>
Public works:				
Highways and streets	10,000	10,000	7,980	(2,020)
Transfer station	3,647	674	430	(244)
Spring clean-up	5,500	4,640	4,220	(420)
	<u>19,147</u>	<u>15,314</u>	<u>12,630</u>	<u>(2,684)</u>
Total public works				
Other:				
Insurance and bonds	5,000	5,300	5,228	(72)
Ice rink	150	150	150	-
Professional services	500	1,900	1,857	(43)
Retirement contribution	2,000	2,000	1,273	(727)
	<u>7,650</u>	<u>9,350</u>	<u>8,508</u>	<u>(842)</u>
Total other				
Total charges to appropriations	<u>97,295</u>	<u>96,735</u>	<u>84,250</u>	<u>(12,485)</u>
Ending budgetary fund balance	<u>\$ 253,157</u>	<u>\$ 253,717</u>	<u>\$ 269,831</u>	<u>\$ 16,114</u>

WILMOT TOWNSHIP
 Budgetary Comparison Schedule (Cash Basis)
 Road Fund
 Year Ended March 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
Beginning of year fund balance	\$ 2,857	\$ 2,857	\$ 2,857	\$ -
Resources (Inflows):				
Interest	300	300	132	(168)
Property taxes	25,800	25,800	22,222	(3,578)
Metro act	2,857	2,857	2,363	(494)
Amounts available for appropriation	31,814	31,814	27,574	(4,240)
Charges to appropriations (outflows):	-	-	-	-
Ending budgetary fund balance	<u>\$ 31,814</u>	<u>\$ 31,814</u>	<u>\$ 27,574</u>	<u>\$ (4,240)</u>

WILMOT TOWNSHIP
Budgetary Comparison Schedule (Cash Basis)
Transfer Station Fund
Year Ended March 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
Beginning of year fund balance	\$ 2,110	\$ 2,110	\$ 2,110	\$ -
Resources (inflows):				
Charges for services	37,647	37,647	32,875	(4,772)
Interest income	25	25	29	4
Amounts available for appropriation	39,782	39,782	35,014	(4,768)
Charges to appropriations (outflows):				
Wages	6,500	6,500	4,743	(1,757)
Refuse hauling	28,000	28,000	26,372	(1,628)
Repair and maintenance	500	500	-	(500)
Snow removal	500	500	550	50
Other expenditures	1,000	1,000	1,318	318
Total charges to appropriations	36,500	36,500	32,983	(3,517)
Ending budgetary fund balance	<u>\$ 3,282</u>	<u>\$ 3,282</u>	<u>\$ 2,031</u>	<u>\$ (1,251)</u>